

# **GEORGIA STATE BOARD OF ACCOUNTANCY**

## **Board Meeting: June 11, 2009**

A meeting of the Georgia State Board of Accountancy was held on Monday, June 11, 2009, at the Office of the Division Director, Professional Licensing Boards Division, 237 Coliseum Drive, Macon, Georgia.

### **The following Board members were present:**

J. Sam Johnson, CPA, Chairman  
Grace Lopez-Williams, CPA, Vice-Chairperson  
C. Ben Hill, CPA  
Michael W. Skinner, CPA

### **Board Members Absent:**

T. Farrel Nchols, CPA

### **Others present:**

Darren Mickler, Executive Director  
Sherry Harrison, Licensing Analyst Supervisor  
Charlotte Mason, Board Support Specialist

Chairman Nichols established a quorum was present at 10:13 a.m. and called the meeting to order.

Mr. Skinner made a motion to adopt the following rules effective July 1, 2009.

### **Rule 20-3-.08 Application for CPA Certificate.**

(1) Upon passing the examination prescribed in 20-3-.01 or 20-3.06(b), a candidate believing himself to be otherwise qualified may apply for a certificate as a certified public accountant. The application form is obtainable from the Office of the Board. Said candidate shall demonstrate to the satisfaction of the Board that said candidate has:

(a) Attained the age of 18;

(b) Good moral character (for the purposes of this rule, “good moral character” means fiscal integrity and a lack of any history of acts involving dishonesty or moral turpitude);

(c) Presented to the Board evidence that the candidate has received a baccalaureate degree or completed the requirements therefore, conferred by a college or university accredited by a national or regional accrediting organization recognized by the Board, with a concentration in accounting or what the Board determines to be the substantial equivalent of an accounting concentration, or with a non-accounting concentration supplemented by what the Board

**GEORGIA STATE BOARD OF ACCOUNTANCY**  
**Board Meeting: June 11, 2009**

determines to be the substantial equivalent of an accounting concentration, including related courses in other areas of business administration; and after January 1, 1998, any person who has not previously sat for the uniform written examination for the certificate of certified public accountant must have completed a total of 150 semester hours or 225 quarter hours of college education, including a baccalaureate degree awarded by a college or university accredited by either a national or regional accrediting organization recognized by the Board. The total educational program shall include an undergraduate accounting concentration and related courses in other areas of business administration or the substantial equivalent of the foregoing. An applicant who has completed 45 quarter hours or 30 semester hours in accounting subjects above the elementary level and 35 quarter hours or 24 semester hours in general business subjects at a four year accredited college or university which offers a baccalaureate degree will be deemed to have satisfied the accounting concentration and related business course requirements;

(d) Two years' continuous experience in public accountancy immediately preceding the date of application for the certificate or within a reasonable time prior to the date of such application as provided herein by rule, or evidence satisfactory to the Board of five years' continuous employment in the accounting field in industry, business, government, or college teaching; any combination of the above; or any combination of the above and practice in public accountancy immediately preceding the date of application for the certificate or what the Board determines to be the equivalent thereof; and

1. This subsection shall be effective for applications received after June 30, 2009. One year of continuous experience immediately preceding the date of application for the certificate or within a reasonable time prior to the date of such application as provided herein by rule. Acceptable experience shall include employment in public accounting, government, business, industry or academia;

(e) submitted the application fee as established by the Board in its fee schedule.

(2) The qualifying experience of a candidate for certification must be meaningful with respect to qualifying the candidate for the practice of public accounting. The experience may consist of any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills. The Board shall look at such factors as the complexity and diversity of the work. The experience will be evaluated by the board according to the following criteria.

(a) Qualifying experience in public accounting shall mean employment as a staff accountant by a practicing certified public accountant ~~or registered public accountant~~ holding a current permit to practice or a firm of such duly licensed accountants certified, registered or licensed to practice public accounting in this State or by the duly constituted laws of any other sovereign state or country. ~~Experience as a registered public accountant shall at all times qualify as experience in public accounting for the requirements as a certified public accountant.~~ The qualifying experience in subsection (2) (a) must be at least ~~two (2) years~~ one year in duration and must include a minimum of ~~4,000~~ 2,000 hours. Such experience shall be supervised by a person who holds a live permit as a certified public accountant ~~or registered public accountant.~~

**GEORGIA STATE BOARD OF ACCOUNTANCY**  
**Board Meeting: June 11, 2009**

1. Public accounting work for purposes of this section shall mean the performance of any combination of services involving the use of accounting, auditing or attestation skills, one or more types of consulting services, the preparation of tax returns or the furnishing of advice on tax matters.

2. The work must involve the application of appropriate technical and behavioral standards such as standards contained in the Code of Professional Conduct, Generally Accepted Auditing Standards (GAAS), Statements on Standards for Attestation Engagements (SSAE), Statements on Standards for Accounting and Review Services (SSARS), the Statement on Standards for Tax Services (AICPA), the Statements on Standards for Management Consulting Services (AICPA), International Financial Reporting Standards (IASB) or other such standards as designated by policy statements of the Board.

(b) Qualifying experience in lieu of such years of experience in public accounting shall mean employment in the accounting field in industry, business, government or college teaching, any combination of the above and experience in public accounting. Self employment experience shall not be considered qualifying experience. ~~The qualifying experience in subsection (2)(b) must be at least five (5) years in duration and must include a minimum of 10,000 hours.~~

1. For qualifying experience in industry or business the candidate must (a) have been employed by a person or entity in the performance of duties primarily involving the use of financial accounting and auditing skills, which follow GAAP; and (b) have been supervised by a person who holds a current permit or registration to practice public accounting as a certified public accountant or registered public accountant licensed by this State or by the duly constituted laws of any other sovereign state or by the equivalent licensed by another country. ~~and who is employed in the entity for which the candidate seeks qualifying experience.~~ Acceptable supervision shall include that by individuals employed by the entity or a related entity for which the candidate seeks qualifying experience and other supervision as may be approved by the Board. In addition, the candidate may have performed duties involving ~~4) the installation of internal control systems, or 2) the use of management advisory, financial advisory, or consulting skills; or~~ compliance with accounting aspects of tax or regulatory laws. The qualifying experience in this subsection must be at least one year in duration and must include a minimum of 2,000 hours.

2. For qualifying experience in government, the candidate must have been employed by a federal, state or local government agency which is appropriated public funds and whose employees are considered public employees and which is recognized by the Board as having the responsibility and organizational structure for performing auditing and accounting functions. The qualifying experience in this subsection must be at least one year in duration and must include a minimum of 2,000 hours work time. Qualifying experience for a candidate employed by the Internal Revenue Service as an internal revenue agent shall count only experience obtained at or above the GS 11 level.

~~3. For qualifying teaching experience, the candidate must have taught courses primarily in the accounting discipline for academic credit at an accredited four-year college or university in at least two different areas of accounting above the introductory or elementary level.~~

**GEORGIA STATE BOARD OF ACCOUNTANCY**  
**Board Meeting: June 11, 2009**

~~A. Qualified teaching experience shall consist of full-time teaching in the accounting discipline for academic credit at an accredited four year college or university. The teaching must include at least two different areas of accounting above the introductory or elementary level. Full-time teaching as described by the rules of the educational institution where the applicant taught will be accepted by the Board to be full-time teaching. However, in no case will less than 12 hours per semester, or the equivalent, be accepted by the Board as full-time teaching. The qualifying experience in this subsection must be at least one year in duration.~~

A. Qualified teaching experience shall consist of teaching in the accounting discipline for academic credit at an accredited four year college or university. The teaching must include at least two different courses of accounting above the introductory or elementary level. One year of experience shall consist of no less than 24 semester hours, or the equivalent in quarter hours, taught in a period consisting of not less than twelve months and not more than thirty six months.

B. Courses outside the field of accounting will not be counted toward full-time teaching. Such courses include, but are not limited to: business law, finance, computer applications, personnel management, economics and statistics.

~~C. In no case can an applicant receive credit for a year of full-time teaching for teaching done in less than one academic year.~~

4. Clerical functions shall not count under this section toward meeting the experience requirements. Clerical functions are positions that do not have accounting significance, including doing merely mathematical calculations, account analysis (looking into accounting books for specific information already recorded), and merely recording information in the general ledger (as opposed to compiling the information).

5. Qualifying experience shall not count experience attained while the candidate is enrolled as a full-time student at a four year college or university where the purpose of such enrollment is to meet the education requirements for certification under section 43-3-6 of the Act. The Board, at its discretion, may consider exceptions to this rule on a case by case basis.

~~4.6.~~ Such other criteria as the Board may consider to be substantially equivalent to the foregoing.

(c) Supervision shall mean “the act of directing and inspecting the performance of.”

(3) The qualifying experience must be continuous experience obtained within a reasonable time prior to the date of application for the certificate. The date of application shall be the date the application is received in the Board office.

(a) Continuous experience shall be uninterrupted experience during the time period in which the required experience was earned, provided, however, that a break in continuity of employment for a reasonable duration in any of the following circumstances may be treated as an acceptable break:

**GEORGIA STATE BOARD OF ACCOUNTANCY**  
**Board Meeting: June 11, 2009**

1. involuntary termination by an employer;
2. illness;
3. full-time school attendance at a four year college or university which offers a baccalaureate degree;
4. maternity leave;
5. military leave;
6. relocation; or
7. a break for any other reason for not more than one year.

Any periods of time deemed to be acceptable breaks shall not be counted as part of the ~~two or five years~~ of qualifying experience.

(b) If an application is dated, and filed not more than one year subsequent to completion of qualifying experience, that experience shall be presumed by the Board to have been obtained within a reasonable time prior to the date of such application.

(c) Any other circumstances shall be reviewed by the Board on a case by case basis in its sole discretion.

**Rule 20-8-.02 Firms not Required to be Registered**

(1) A firm that does not have an office in this state may perform compilation or review services to be performed in accordance with Statements on Standards for Accounting and Review services (SSARS) for a client having its office in this state without registering with the Board if:

(a) Such firm complies with the ownership requirements of 43-3-21.

(b) Such firm participates in a peer review program whose standards at a minimum comply with the "Standards for Performing and Reporting on Peer Review" promulgated by the American Institute of Certified Public Accountants (AICPA) in a manner consistent with the timing and completion requirements of Code Section 43-3-23.

(c) Such firm provides services through an individual with practice privileges under subsection (b) of Code Section 43-3-24 related to substantial equivalency practice privileges. Practice privileges under subsection (b) of Code Section 43-3-24 are not permitted for an individual unless that individual holds a valid license as

**GEORGIA STATE BOARD OF ACCOUNTANCY**  
**Board Meeting: June 11, 2009**

a certified public accountant in a state which grants similar practice privileges to license holders in this state.

(2) A firm that does not have an office in this state and is not performing services described in 20-8-.01(1) and 20-8.02(1) above may perform other professional services included in the practice of public accountancy while using the title 'CPA' or 'CPA Firm' in this state without registering with the Board if:

(a) Such firm provides services through an individual with practice privileges under subsection (b) of Code Section 43-3-24 related to substantial equivalency practice privileges. Practice privileges under subsection (b) of Code Section 43-3-24 are not permitted for an individual unless that individual holds a valid license as a certified public accountant in a state which grants similar practice privileges to license holders in this state.

(b) That firm can lawfully perform such services in the state where said individuals with practice privileges have their principal place of business.

Mrs. Lopez Williams seconded. The motion carried unanimously.

There was no further business and the meeting was adjourned at 11:00a.m. Skinner moved to adjourn. Mrs. Lopez Williams seconded. The motion carried unanimously.

\_\_\_\_\_  
Recorded by Board Secretary

\_\_\_\_\_  
Reviewed by Executive Director

\_\_\_\_\_  
Chairman

These minutes were approved on \_\_\_\_\_

These minutes were signed on \_\_\_\_\_